

WASHINGTON METROPOLITAN AREA TRANSIT COMMISSION

WASHINGTON, D. C.

ORDER NO. 1647

IN THE MATTER OF:

Served February 4, 1977

Application of BELTWAY LIMOUSINE)	Application No. 889
SERVICE, INC., for a Certificate of)	
Public Convenience and Necessity to)	
Perform Charter Operations)	
Application of BELTWAY LIMOUSINE)	Application No. 909
SERVICE, INC., for Temporary Authority))	
to Perform Charter Operations)	Consolidated Docket No. 299
-----)	
Application of EXECUTIVE LIMOUSINE)	Application No. 871
SERVICE, INC., for Certificate of)	
Public Convenience and Necessity to)	
Perform Special Operations)	
Application of EXECUTIVE LIMOUSINE)	Application No. 872
SERVICE, INC., for Certificate of)	
Public Convenience and Necessity to)	Consolidated Docket No. 289
Perform Charter Operations)	
-----)	
Application of EXECUTIVE LIMOUSINE)	Application No. 877
SERVICE, INC., for Certificate of)	
Public Convenience and Necessity to)	
Perform Charter Operations)	
Application of EXECUTIVE LIMOUSINE)	Application No. 886
SERVICE, INC., for Temporary Authority))	
to Perform Charter Operations)	Consolidated Docket No. 290
-----)	
Petition of EXECUTIVE LIMOUSINE)	Application No. 945
SERVICE, INC., for Temporary Authority))	
and Permanent Authority to Eliminate)	Docket No. 330
Vehicle Seating Restriction)	
-----)	
Application of GREYHOUND AIRPORT)	Application No. 950
SERVICE, INC., for Approval of Supple-))	
ment No. 1 to WMATC Tariff No. 15)	Docket No. 336

INTRODUCTION

The Commission has pending before it the eight above-titled applications and dockets. These proceedings involve as applicants and/or protestants

the same three carriers, Beltway Limousine Service, Inc. (Beltway), Executive Limousine Service, Inc. (Executive), and Greyhound Airport Service, Inc. (Greyhound), and each involves questions to varying degrees of service to and from Dulles International Airport (Dulles) and Washington National Airport (National). Although these proceedings were not consolidated for hearing, we shall issue only one decision with respect to them because they are interrelated and a determination in one impacts another. Portions of the record in some of these proceedings have been incorporated in the record of others, further indicating the desirability of a single decision.

BELTWAY LIMOUSINE

By Application No. 889, filed November 12, 1975, Beltway seeks a certificate of public convenience and necessity, pursuant to Title II, Article XII, Section 4(b) of the Compact, to transport passengers, together with their mail, express, baggage and newspapers, over irregular routes, in charter operations, between points in the Metropolitan District (except no authority is sought for intra-Virginia operations). Such transportation would be limited to limousine service. By Application No. 909, filed January 22, 1976, Beltway seeks temporary authority, pursuant to Title II, Article XII, Section 4(d)(3) of the Compact, to provide the same transportation proposed in Application No. 889.

Beltway currently holds Certificate of Public Convenience and Necessity No. 25. That Certificate authorizes the performance of special operations, over irregular routes, by appointment only, in vehicles with a seating capacity of 12 to 15 persons, between Dulles and National, on the one hand, and, on the other, specified hotels and motels in Montgomery County and Prince George's County, Maryland. See Order No. 1425, served May 12, 1975. That Certificate also authorizes the performance of charter operations pursuant to contract with General Electric Company to transport General Electric students between General Electric's national training facility in Rockville, Maryland, on the one hand, and, on the other, specified hotels or motels in Montgomery County, Maryland. This authority is conditioned upon the performance of such transportation between General Electric's national training facility and restaurants and country clubs located within Montgomery County, Maryland, as stated in the contract. See Order No. 1446, served July 28, 1975.

The proposal contained within Application No. 889 would extend Beltway's Certificate No. 25 by granting authority to render charter operations generally within the Metropolitan District. Certifying Beltway to perform such charter operations would include the lesser authority granted to all charter carriers to render charter operations pursuant to contract, such as Beltway's contractual operation for the General Electric Company.

Public hearings pertaining to Beltway's proposal were held on January 8, 1976, and February 23 and 24, 1976. Greyhound participated in the hearings

in opposition to any grant of charter authority which would involve either Dulles or National. Beltway presented the testimony of its president, several public witnesses, and the supplier of the vehicles used by it.

Beltway's president testified that the proposed charter operations would be rendered in 12-to 14-passenger (not including the driver) minivans. The charter service would be available on a point to point basis and would serve primarily small groups of individuals travelling together. The charter service would include sightseeing should a group so desire. However, Beltway would not offer a predetermined described sightseeing tour.

The vehicles to be used in the service would be comfortably appointed with heavy carpeting, plush interiors, front and rear air-conditioners, and stereo equipment. The minivans would be operated by Beltway's employees. Whenever the charter operations involved group sightseeing, Beltway would employ a licensed tour guide. The vehicles would be properly licensed, inspected, and maintained. Beltway has projected the operation of 10 such vehicles in the proposed charter service.

Beltway has proposed a tariff rate of \$17.50 per hour with a minimum charge for three hours. The time would be computed from the time the vehicle left Beltway's offices until the time the charter movement terminated. Such time calculation would be subject to the use of a maximum of one-half hour for the travelling time between the office and the origin of the charter party. No time would be included for the return trip to the offices from the terminating point of the charter operation.

The projected financial results for the proposed operation would be a net income of \$16,810 in the first year of operation. This income would be the difference between the estimated gross revenue of \$239,000 and the sum of the estimated cost of sales (\$148,366), operating expenses (\$51,378), taxes (\$9,889) and principal payments (\$12,857). The estimated gross revenue was based on a projection of three minimum rate charters (\$52.50) per vehicle (10) per day and charter operations were projected to occur at this frequency on 219 days in the first year. More importantly, Beltway also projected the costs in relation to one three-hour charter operation. This projection was based on the actual costs being incurred in current operations. Beltway stated that the costs would be \$48.28. As a result, the before-taxes profit for such an operation would be \$4.22 or approximately 8 percent of the revenue.

Beltway stated that it proposed a complete charter service. In this respect, it indicated that it would not be actively soliciting transfer movements between Dulles or National and some other point in the Metropolitan District. Rather, the charter operations would be offered to any small group of individuals on an "as-needed" basis. Such charter services could involve transporting the group from an airport to a hotel, then between the hotel and several theatres, restaurants, offices, or other places within the

Metropolitan District, and, finally, from the hotel to an airport. These services could involve several days of actual operations for the same group pursuant to a single charter arrangement. Accordingly, Beltway estimated that approximately 85 percent of the projected revenue would be derived from movements between points and places within the Metropolitan District and that 15 percent of the projected revenue would be derived from movements involving an airport as one of the points. Thus, the proposed charter service was described as a "package service", which might include as an incidence thereto charter service to or from Dulles or National.

Beltway presented the testimony of two public witnesses in support of its application. One witness represented a tour service which specialized in charter services. The other witness represented a hotel in the District of Columbia.

The tour service representative indicated that there was a need for a charter service in vehicles larger than 6-to 8-passenger plush limousines and smaller than the standard size motor coach. This need apparently results from the desires of small groups, normally 10 to 15 individuals, who want a specialized service designed to meet their particular plans. Some of the small groups requiring this form of transportation are sub-groups of larger groups. In addition, the tour service representative stated that due to the expense, the use of two limousines to transport such a group was not economical and that the use of a standard motor coach was not efficient because of its size. However, the tour service representative had used both limousines and buses when required to transport these small groups.

The tour service representative also stated a desire to use the charter services of a small company, assertedly better able to provide flexible and specialized service. The larger charter service companies within the Metropolitan District previously have been used primarily because the tour service representative had been unable to acquire the services of a company operating vehicles with seating capacities ranging between 10 and 15 passengers.

The local hotel representative indicated that there was a need for transportation services in 10-to 15-passenger vehicles. This need apparently was a result of the paucity of operators within the Metropolitan District equipped with this size vehicle. The local hotel representative stated that he would be able to offer his potential clients a more complete package if there were present within the Metropolitan District certificated carriers with authority to render charter operations in 10-to 15-passenger vehicles. Such carriers would be used to operate shuttle services between hotels which were sharing the same convention bookings. In addition, the charter services would enable small groups more readily to travel throughout the Metropolitan District for the purpose of sightseeing or attending functions at other locations. The local hotel representative stated that on several occasions the standard size motor coach would be too slow or too large to served the needs of the smaller size groups efficiently.

EXECUTIVE LIMOUSINE

By Application No. 871, filed July 17, 1975, Executive seeks a certificate of public convenience and necessity, pursuant to Title II, Article XII, Section 4(b) of the Compact, to transport passengers, together with their mail, express, baggage and newspapers, over irregular routes, in special operations, between Dulles, on the one hand, and, on the other, the Mayflower Hotel, 1127 Connecticut Avenue, N. W., Washington, D. C., the Shoreham Americana, 2500 Calvert Street, N. W., Washington, D. C., and the Sheraton Park Hotel, 2660 Woodley Road, N. W., Washington, D. C.

By Application No. 872, filed July 30, 1975, Executive seeks a certificate of public convenience and necessity, pursuant to Title II, Article XII, Section 4(b) of the Compact, to transport passengers, together with their mail, express, baggage and newspapers, over irregular routes, in charter operations, between Dulles, Chantilly, Virginia, on the one hand, and, on the other, those points within the District of Columbia which the carrier is now authorized to serve or may be authorized to serve in special operations.

By Application No. 877, filed September 13, 1975, Executive seeks a certificate of public convenience and necessity, pursuant to Title II, Article XII, Section 4(b) of the Compact, to transport passengers, together with their mail, express, baggage and newspapers, over irregular routes, in charter operations, between points which are located within the Metropolitan District, except between those points which are located solely within the Commonwealth of Virginia, limited to limousine service. Application No. 877 necessarily embraces the points set forth in Application No. 872. However, in order to consider each application as a separate request for authority, Application No. 872 will not be merged into Application No. 877. Then by Application No. 886, filed October 20, 1975, Executive seeks temporary authority, pursuant to Title II, Article XII, Section 4(d)(3) of the Compact, to render the same transportation as proposed in Application No. 877.

By Application No. 945, filed June 1, 1976, Executive requests that the Commission, pursuant to Title II, Article XII, Section 4(b) of the Compact, relieve it from a vehicle seating restriction applicable to certain special operations authorized by its Certificate of Public Convenience and Necessity No. 18. Executive seeks to be permitted to render special operations, over irregular routes, without regard to vehicle seating capacity, (A) between Dulles, on the one hand, and, on the other, the Quality Inn-Capitol Hill, 415 New Jersey Avenue, N. W., Washington, D. C.; (B) between Dulles, on the one hand, and, on the other, the L'Enfant Plaza Hotel, 480 L'Enfant Plaza East, S. W., Washington, D. C.; and (C) between Dulles, on the one hand, and, on the other, the Hyatt Regency Washington, 400 New Jersey Avenue, N. W., Washington, D. C.

Executive's Certificate of Public Convenience and Necessity No. 18 authorizes the performance of special operations, over irregular routes,

between Dulles, on the one hand, and, on the other, the Burlington Hotel, Vermont Avenue at Thomas Circle, N. W., Washington, D. C., the Quality Inn-Capitol Hill, the L'Enfant Plaza Hotel, and the Hyatt Regency Washington. The special operations are limited to limousine service and are restricted to the performance of such operations in vehicles with seating capacities of 15 passengers or less, including the driver. That Certificate also authorizes the performance of separate charter operations pursuant to contract with specified airlines between Dulles and National, on the one hand, and, on the other, those points within the District of Columbia or Maryland which are located within the Metropolitan District.

Public hearings pertaining to Executive's Application Nos. 871 and 872 were held on August 26, October 17, November 19, and December 8 and 12, 1975. Separate public hearings pertaining to Executive's Application No. 877 were held on January 8, 1976, and February 23 and 24, 1976. A public hearing was held on September 20, 1976, with respect to Executive's petition in Application No. 945. At each hearing, Greyhound appeared in opposition and actively participated in the proceeding. In addition, Executive opposed Greyhound's Application No. 950 and actively participated in the public hearing held on August 27, 1976. As a result of these several hearings, the record pertaining to Executive sets forth many cumulative and redundant statements. The following summary will combine those common matters deemed to be relevant to these applications.

Executive essentially is involved in providing ground transportation services between Dulles and hotels within the District of Columbia. Such services are divided into two broad categories, first, special operations for persons using Dulles as an entry or exit point to the Metropolitan District and, second, charter operations pursuant to contract with several airlines for the movement of aircraft crew personnel.

By its Application No. 871, Executive seeks to expand its special operations to include service between Dulles and the Mayflower Hotel, Sheraton Park Hotel, and Shoreham Americana Hotel. The special operations service would be rendered in limousine-type vehicles. The Executive proposal would involve service during the morning and evening "peak periods" of activity at Dulles. The proposed schedule for the special operations service would involve direct service only among Dulles, Mayflower Hotel, and Shoreham Americana and would consist of trips in accordance with the following schedule.

<u>Origin</u>	<u>Time</u>	<u>Destination</u>	<u>Time</u>
Shoreham	7:15 a.m.	Dulles	8:15 a.m.
Mayflower	7:30 a.m.	Dulles	8:15 a.m.
Dulles	8:45 a.m.	Shoreham	9:30 a.m.
Dulles	8:45 a.m.	Mayflower	9:45 a.m.
Shoreham	9:30 a.m.	Dulles	10:30 a.m.
Mayflower	9:45 a.m.	Dulles	10:30 a.m.

<u>Origin</u>	<u>Time</u>	<u>Destination</u>	<u>Time</u>
Dulles	10:45 a.m.	Shoreham	11:30 a.m.
Dulles	10:45 a.m.	Mayflower	11:45 a.m.
Shoreham	1:30 p.m.	Dulles	2:30 p.m.
Mayflower	1:45 p.m.	Dulles	2:30 p.m.
Dulles	2:45 p.m.	Shoreham	3:30 p.m.
Dulles	2:45 p.m.	Mayflower	3:45 p.m.
Shoreham	3:30 p.m.	Dulles	4:30 p.m.
Mayflower	3:30 p.m.	Dulles	4:30 p.m.
Shoreham	4:15 p.m.	Dulles	5:15 p.m.
Mayflower	4:30 p.m.	Dulles	5:15 p.m.
Dulles	4:45 p.m.	Shoreham	5:30 p.m.
Dulles	4:45 p.m.	Mayflower	5:45 p.m.
Dulles	5:15 p.m.	Shoreham	6:00 p.m.
Dulles	5:15 p.m.	Mayflower	6:15 p.m.
Dulles	5:45 p.m.	Shoreham	6:30 p.m.
Dulles	5:45 p.m.	Mayflower	6:45 p.m.
Shoreham	6:30 p.m.	Dulles	7:30 p.m.
Mayflower	6:45 p.m.	Dulles	7:30 p.m.

This schedule would require Executive to operate one limousine in a loop between the Shoreham Americana and Mayflower Hotel and Dulles from 7:15 a.m. to 5:45 p.m., a second limousine in a similar loop from 4:15 p.m. to 7:30 p.m., and a third limousine one-way from Dulles to the Shoreham Americana and Mayflower Hotel from 5:15 p.m. to 6:15 p.m. As a result, Executive would have a peak equipment requirement of three vehicles for the proposed special operations service. During that same peak hour, Executive currently uses two vehicles to render the special operations service involving the Burlington Hotel and the hotels located on Capitol Hill and in Southwest Washington. The record reflects that Executive currently has 9 vehicles to provide these special operations and charter pursuant to contract operations.

Executive has proposed a one-way per capita fare of \$4, a discounted fare of \$2.50 for an airport or airline employee, and a fare of \$3 for a cancelled, diverted or scrip passenger. On the basis of these proposed fares, Executive has projected annual revenue of \$78,840. This revenue was derived by projecting that 54 passengers would pay \$4 per trip each day for 365 days in the year. Executive also projected total operating expenses in the amount of \$76,697.45. The amounts for maintenance (\$13,140), fuel and oil (\$22,338), and administrative and general (\$7,884) were projected on the basis of the historical cost per revenue mile as applied to the projected revenue miles to be operated in the proposed special operations. The amounts for drivers' wages (\$26,827.50) and payroll taxes (\$2,682.75) were projected on the basis of the estimated actual costs to be incurred in rendering the proposed special operations. The amount to be paid the FAA as a concessionaire's fee (\$2,365.20) was estimated to be 3 percent of the revenues. No other expenses were included in the projection because they would not be a direct cost attributable to rendering the proposed special

operations. The net income resulting from the projected revenues and expenses would be \$2,142.55 or 2.75 percent of the gross revenues.

The president of Executive testified that the proposed special operations service would not be the same as any currently available ground transportation services. The primary distinctions apparently would be related to the cost of the service and the type of vehicle being used. The other available modes of transportation are taxicab service and Greyhound's airport service. With respect to taxicab service, the potential passenger of the proposed Executive service would have to pay in excess of \$20 as a per capita fare for transportation between Dulles and either the Mayflower Hotel or Shoreham Americana. With respect to Greyhound's airport service, the potential passenger would be conveyed in a motor coach at a per capita fare of \$4.25, as compared to Executive's limousine vehicle. In addition, the Greyhound passenger could travel only to the Mayflower Hotel from Dulles and would be able to originate transportation to Dulles only from the Mayflower Hotel or Sheraton Park. According to Executive's president, the potential passengers would differentiate Executive's service from Greyhound's service on the basis of the type of vehicle being used and the location of the terminal points. However, Executive's president did recognize the obvious head-to-head competition at the Mayflower which would result were the application to be granted. Such competition would affect the current ridership patterns of some persons who use either taxicab service or Greyhound airport service. No quantification of the number of such persons was submitted by Executive.

By its Application No. 872, Executive seeks authority to render charter operations between Dulles, on the one hand, and, on the other, the Burlington Hotel, Hyatt Regency Washington, L'Enfant Plaza Hotel, Mayflower Hotel, Quality Inn-Capitol Hill, Sheraton Park, and Shoreham Americana. Such authority, if granted, would include and eliminate the need for a separate specification of Executive's presently certificated charter operations pursuant to contract authority. The proposed charter operations would be rendered entirely on a non-scheduled basis in limousine-type vehicles. The charter service would be offered to any pre-formed group that did not exceed the seating capacity of the vehicles available. In other words, Executive did not limit its Application No. 872 to charter authority to serve the demands of groups composed of only 14 or fewer persons. Apparently, Executive could make available three limousine-type vehicles to one chartering party. The result would be capacity equivalent to that commonly available in motor coaches.

Executive has proposed the following rate structure.

<u>Vehicle Capacity</u>	<u>Rate Per Hour</u>	<u>Rate Per Transfer</u>
11 passengers or less	\$15	\$40
12 to 14 passengers	17	45
15 passengers or more	19	70

These rates would be charged for each movement and the applicable rate would be the one resulting in the greatest revenue. If the chartering party is supplied with a licensed guide/driver, there would be an additional charge of \$5 per hour. The transfer rate also would apply only to one-way movements and, if the vehicle is delayed by the charter party more than one-half hour in excess of the scheduled time, the transfer rate does not apply and a three hour minimum charge at the hourly rate would be assessed.

Executive has projected charter operations revenue for a future annual period. The basis for the projection was an assumption that only transfer movements in 12-to 14-passenger capacity vehicles would be rendered. The transfer rate of \$45 was multiplied by 240 projected charter movements. This number represents a projection for one movement per day for two-thirds of a year or a projection that on two out of three days at least one transfer movement would be made. The resulting revenue projection was \$10,800. The expenses for the proposed charter service were projected on the same basis as used in projecting expenses for special operations. The total operating expenses were projected to be \$9,188.04. The net income before taxes was estimated to be \$1,611.96 or 14.93 percent of the gross projected charter revenues. No explanation was offered with respect to the difference between the projected operating ratio for the proposed special operations (97.28) and the projected operating ratio for the proposed charter operations (85.07).

By its Application No. 877, Executive seeks authority to render charter operations generally within the Metropolitan District. Certifying Executive to perform such charter operations obviously would include the authority being sought by Application No. 872 and the authority presently set forth in its Certificate No. 18 granting the right to render charter operations pursuant to contract with specified airlines. This application was consolidated for hearing with Beltway's Application No. 889. Beltway initially opposed Executive's Application No. 877. However, at the public hearing on February 23, 1976, the protest was voluntarily withdrawn by Beltway.

Executive's president testified that the proposed charter operations would be rendered in limousines having seating capacity for 14 passengers (not including the driver) or less. The charter service would be available on a point to point basis and would serve small groups of individuals travelling together. The application is not restricted to groups containing 14 or fewer individuals. The charter service would include sightseeing should a group so desire. However, Executive would not offer a predetermined described sightseeing tour. Whenever a group desired sightseeing charter service, Executive would employ a licensed guide.

Executive has submitted a proposed rate structure. The tariff submitted reflects various charges for the different vehicles available for use.

<u>Vehicle Capacity</u>	<u>Rate Per Mile</u>	<u>Rate Per Hour</u>
11 passengers or less	\$.60	\$15
12 to 14 passengers	.65	17
15 passengers or more	.70	19

The rate to be charged the chartering party would be the greater of the mileage or hourly charge. If the chartering party is supplied with a licensed guide/driver, there would be an additional charge of \$5 per hour. Significantly, Executive has proposed a transfer rate structure in Application No. 877 which differs from the transfer rate structure in Application No. 872. The proposal in Application No. 877 is a one-way \$30 transfer fee per vehicle between National and the downtown area of Washington, D. C., and a one-way \$45 transfer fee per vehicle between any point in the Metropolitan District and Dulles. If the vehicle is delayed by the charter party more than one-half hour beyond the scheduled time, the transfer rate does not apply and a three hour minimum charge at the hourly rate would be assessed.

The projected revenue for the proposed charter operations would be \$33,840 for the first annual period. Apparently, this projection would include the revenue projection of \$10,800 set forth for Application No. 872. Executive based its revenue projection in Application No. 877 on a projected 40 trips per month at the transfer rate of \$45 for Dulles. No projection was submitted for transfer movements involving National. The president of Executive did estimate that the charter movements involving the airports would be divided so that 70 percent of the total would involve Dulles and 30 percent of the total would involve National. Executive also based its revenue projections in Application No. 877 on a projected 20 charter movements per month at the charter rate of \$51. The projected expenses were based on an estimate of the total mileage which would be travelled in rendering the projected service. The mileage projection consisted of two steps. First, the number of Dulles transfer movements was multiplied by 60 miles. Second, the product of the first multiplication was presumed to be 70 percent of the total mileage to be operated. Accordingly, the product of the first multiplication was expanded to include the mileage for charter movements other than airport transfers. The resulting total mileage then was multiplied by the cost per revenue mile for each expense (other than drivers wages, payroll taxes, and employee welfare) to determine the projected amount for each. For the parenthetical expenses, Executive based its projections on the actual dollar amounts and an estimate of the hours. The total operating expense projected was \$29,294. The net income before taxes was estimated to be \$4,906 or 14.35 percent of the gross projected operating revenue. This percentage was similar to that projected in Application No. 872 for the airport transfers therein involved. However, no separate analysis was made which would indicate the portion of the total projected charter revenue derived from being able to render charter service to and from the airports.

The president of Executive also stated that the vehicles to be used in the proposed service already have been used for charter movements by

other certificated charter carriers. Apparently, some carriers have been involved in leasing Executive's vehicles and drivers for the purpose of rendering charter service. To the extent the record reflects that Executive has charged groups the established charter rates of certificated carriers after the approval of such carrier was received and Executive has retained a portion of the charter revenue collected by it, the leasing arrangement would appear to involve operating authority and not equipment. Such a practice is not permissible and would constitute a violation of the Compact. However, the record does not contain any indication that the practice was used for the purpose of avoiding regulation or that the practice was intentionally and wilfully pursued in utter disregard of its illegality.

By its petition in Application No. 945, Executive seeks to be relieved from the vehicle seating restriction contained in its current Certificate No. 18. If granted, the relief would entitle Executive to operate any size equipment it desired in special operations between Dulles and the Quality Inn-Capitol Hill, the L'Enfant Plaza Hotel, and the Hyatt Regency Washington. The requested relief is stated to be based on a need to provide additional seating capacity for passenger transportation and a need to have greater flexibility in scheduling available equipment.

The president of Executive testified that commencing September 9, 1976, the schedule for its now authorized special operations was increased to its current number of six trips from the hotels in the Capitol Hill area to Dulles and four trips from Dulles to the hotels in the Capitol Hill area. Apparently, this schedule change, which increased the period of time during which special operations service was available to members of the travelling public, resulted primarily from requests by the management of the Hyatt Regency Washington.

The testimony of Executive's president indicates that its current fleet has 9 vehicles with 107 passenger seats (not including those for the 9 drivers). The record contains daily passenger summaries reflecting the number of persons travelling in Executive's special operations service during July, August and the first 17 days of September 1976. The summaries do not reflect the number of persons travelling in vehicles operated by Executive pursuant to the requirement of rendering charter operations pursuant to contract with several airlines. The summaries also reflect the type and number of vehicles used to transport the passengers travelling in Executive's special operations.

During the period, Executive never utilized a motor coach to render passenger transportation from Dulles to the Capitol Hill hotels. Furthermore, on no single occasion did Executive have to operate more than one limousine from Dulles to the Capitol Hill hotels. With respect to passenger transportation from the Capitol Hill hotels to Dulles, Executive utilized a motor coach on 16 separate occasions and otherwise never operated more than a single limousine. Apparently, on those occasions when a motor coach was used, Executive did not operate a limousine. Finally, the summaries reflect that

Executive had occasion to use more than one limousine for the special operations service between the Burlington Hotel and Dulles on 15 separate trips. Executive never had to use more than two limousines on any one such trip. The use of more than one limousine to render these trips between the Burlington Hotel and Dulles is attributable in part to the practice of a domestic aircrew which stays within the District of Columbia. That crew uses Executive's special operations service because Executive is permitted to travel on the airdrome at Dulles for the purpose of picking-up or discharging these passengers.

Executive's president testified that he has difficulty scheduling his equipment to provide sufficient seats for the passengers. In order to make the most efficient and economical use of its equipment, Executive proposes to operate the motor coach on one round-trip schedule each day, Monday through Friday. This utilization of the motor coach would relieve Executive from the burdens associated with deadheading a limousine from Dulles to the District of Columbia for the purpose of providing suitable supplemental equipment.

The president of Executive further testified that its problem with adequate equipment availability was caused by the failure of suppliers to deliver limousine-type vehicles. Three additional 11-passenger vehicles have been ordered and promised but not delivered. The delivery of these vehicles would enable Executive to more efficiently schedule its equipment. However, the operation of the motor coach would be more economical than the operation of two or more limousines. Accordingly, Executive seeks the relief even though it presently has committed itself to a program designed to increase the number of its limousine-type vehicles.

Executive presented the testimony of several witnesses in support of its different applications. These public witnesses can be generally divided between those supporting Executive's request for special operations authority and those supporting Executive's request for general charter operations authority. Significantly, Executive did not sponsor the testimony of any public witness with respect to Application No. 872, the companion charter authority application to Application No. 871 for special operations authority, and Application No. 945, the petition for relief from the vehicle capacity restriction.

The representatives of several hotels were the public witnesses supporting Executive's Application No. 871 for special operations authority. A capsule of the general tenor of their testimony was presented by the director of marketing at the Shoreham Americana. The record reflects an interest in providing to the travelling public reasonably good ground transportation to Dulles which would be accessible from the major hotels in the District of Columbia. The accessibility of the service to several hotels is essential for those hotels to maintain an equivalent competitive position in marketing their services to potential convention groups.

The director of marketing indicated the difficulties encountered by the traveler and the hotels with respect to the use of the ground transportation service between Dulles and the District of Columbia. The ground transportation service now offered primarily consists of scheduled motor coach service by Greyhound between Dulles and the Statler Hilton and Washington Hilton. A traveler staying at a different hotel within the District of Columbia is required to arrange separately for transportation between his hotel and the Statler Hilton or Washington Hilton to complete his trip to or from Dulles. The resulting effect upon the traveler is two-fold. First, it is more expensive because the traveler has to pay the per capita fare for the motor coach service and a separate per capita fare for transportation within the District of Columbia to and from the terminal hotels. Second, it is inconvenient because the traveler and his luggage must change conveyances in travelling to and from Dulles. This expense and inconvenience acts as a deterrent upon the traveler's desire to be a guest at any hotel other than a terminal hotel. In addition, non-terminal hotel personnel have to inform their guests that the ground transportation services directly accessible to Dulles are available only at certain competing hotels.

The director of marketing supported Executive's proposed service for three reasons. First, the proposed service would give the non-terminal hotels to be served an equivalent position in the market with respect to ground transportation services to and from Dulles. Second, the proposed service would reduce the expense presently incurred by the public in travelling to and from Dulles by way of the terminal hotels. Third, the proposed service would be a tremendous convenience to the guests because it would provide direct service between the front door of the hotel and Dulles.

The director of marketing also indicated support for Executive's proposal because it would involve service in a limousine-type vehicle as compared to service in either a motor coach or a van. The director's opinion was that the proposed limousine service would be faster and more comfortable than either motor coach service or van service. With the motor coach service, there is associated more stops and more persons with luggage to be unloaded. With the van service, there is associated the discomfort resulting from travelling in a vehicle constructed with a truck chassis.

The director of marketing related the events surrounding previous service by Greyhound to points other than the Statler Hilton and Washington Hilton. Apparently, such service was instituted as the result of strong urgings and requests by the transportation subcommittee of the Hotel Association of Washington, D. C. That subcommittee was concerned about numerous complaints pertaining to irregular and expensive ground transportation services between Dulles and points within the District of Columbia. As a result, the subcommittee convinced Greyhound to increase its ground transportation services to include several major hotels in the Northwest sector of the District of Columbia. The subcommittee and several hotels actively advertised and promoted the ground transportation service. However, Greyhound failed to provide the service in a satisfactory manner. Patrons of the hotels were not

picked-up by Greyhound even though prior reservations had been made. These patrons in turn were forced to use taxicab service in order to travel to Dulles from the hotels at a significantly greater expense. In addition, Greyhound failed to provide drop-off service at the entrances to the hotels. Rather, passengers disembarked at curbsides across the street from hotel entrances or at nearby street intersections. As a result, some patrons were required to move their luggage to the hotel entrances by their own means. The ground transportation service then was discontinued for lack of sufficient patronage.

The testimony of the managing director of the Shoreham Americana was offered in support of Executive's Application No. 871. The primary interest of this witness was to procure direct service between the Shoreham Americana and Dulles. Such direct service currently is available from Greyhound between Dulles and certain other major hotels in the District of Columbia. According to this witness, the other major hotels have a competitive advantage when bidding for conventions because Greyhound serves those hotels. The secondary interest of this witness was to have such direct service in order to avoid the difficulty associated with advising and informing a patron of the hotel that direct inexpensive ground transportation service was available only at competing major hotels. As a result of these interests, the managing director of the Shoreham Americana supported the application of Executive because the service to be provided would be a regularly scheduled service between that hotel and Dulles.

Executive also sponsored the testimony of another employee of the Shoreham Americana. The testimony of this witness related primarily to the modes of transportation used by patrons of the Shoreham Americana to travel to and from Dulles. The principal travel pattern involved the guest passing through the Washington Hilton. Apparently, the patron would travel by motor coach between Dulles and the Washington Hilton. Then the patron would travel by taxicab between the Shoreham Americana and the Washington Hilton. The witness from the Shoreham Americana stated that this travel pattern was an inconvenience to the patron because it required more time to travel and was more expensive than direct service. Finally, the witness stated that approximately 15 people per day use this method to travel between the Shoreham Americana and Dulles. The patrons at the Shoreham Americana also have available taxicab service and private limousine service directly between the Shoreham Americana and Dulles. The witness indicated that the Shoreham Americana and other major hotels desire to have direct ground transportation service for patrons using Dulles.

The testimony of the managing director of the Sheraton Park Hotel was offered in support of Executive's Application No. 871. This witness stated that the Greyhound transportation service between Dulles and the Statler Hilton and Washington Hilton is unduly discriminatory against patrons using the services of the Sheraton Park. This discrimination consists of a refusal by Greyhound to provide service between the Sheraton Park and Dulles.

Apparently, Greyhound does provide one schedule of service by motor coach from the Sheraton Park to Dulles. The scheduled service leaves the Sheraton Park at 3 p.m. The concern of the managing director is that patrons of the hotel have difficulty in travelling from Dulles to the Sheraton Park and from the Sheraton Park to Dulles at times other than 3 p.m. The witness stated that patrons may be deterred from using the Sheraton Park as a result of the inconvenience of having to use a terminal hotel as a transfer point and the additional expense involved. As a result, the ground transportation service was described as inadequate and discriminatory.

The testimony of the senior assistant manager of the Mayflower Hotel was offered in support of Executive's Application No. 871. This witness stated that a major concern of the hotel was the absence of direct transportation service between Dulles and the Mayflower Hotel. The absence of such service has a deleterious effect upon the Mayflower Hotel because the closest major competing hotel has direct service. The presence of the direct service to the Statler Hilton and the absence of direct service to the Mayflower Hotel combine to place the latter at a competitive disadvantage to the former. As a result, the representative for the Mayflower Hotel stated that it desired any carrier which would provide the hotel's patrons with reasonable, continuous and adequate direct transportation services to and from Dulles.

The support for Executive's Application No. 871 also is based on the type of vehicle to be used by Executive. The Mayflower Hotel is located within a central commercial area of the District of Columbia. The street contiguous to the hotel property where passengers would board and disembark is narrow and does not provide sufficient space for motor coaches to park without creating confusion and congestion in the traffic patterns. Accordingly, the Mayflower Hotel representative supported the application of Executive because it proposed to use smaller size vehicles in the range of 12 to 14 passenger limousines.

With respect to Application No. 877 for general charter authority, Executive sponsored the testimony of four public witnesses. Two witnesses represented different types of travel agencies. One witness represented a private organization. The other witness was a wholesaler of transportation services.

The travel agencies' representatives generally testified that there was a need for charter service for groups ranging in size from 9 to 30 people. The travel agencies cater to three different classes of travelers, *i.e.*, the commercial traveler, the foreign independent traveler, and the group traveler. Within this latter class of travelers, there are apparently two sub-groups: the large group travelers normally composed of conventioners and church members and the smaller group travelers normally composed of people desiring highly specialized and personally tailored charter service. These two sub-groups differ in the type of equipment needed for charter service. The larger groups use motor coaches, and occasionally vans to

serve the needs of overflow passengers. The smaller groups use limousines. Thus, from the standpoint of the purchaser of charter service and the definable charter service market, there are distinctions with respect to the type of service to be provided and the vehicles to be used in providing the service. The limousine-type vehicles apparently provide a more comfortable ride and have more deluxe interior appointments.

The travel agencies' representatives supported Executive's Application No. 877 because of the type of equipment to be used in the proposed charter service. The witnesses testified that there are no other carriers within the Metropolitan District with limousine-type vehicles having seating capacity comparable to that of Executive. Moreover, they indicated that the absence of such equipment had resulted in their using two 7-passenger limousines to transport 12 to 14 persons. As a result, the expense for the charter service was significantly increased.

One travel agency representative indicated a need for two 14-passenger limousines each month and the other travel agency representative indicated a need for three 14-passenger limousines each month. These limousines would be used to provide a total charter service including transportation of the same pre-formed group from an airport to a hotel, between the hotel and points within the Metropolitan District, and from the hotel to an airport. Obviously, such charter service could occur over several days.

The representative of a private organization testified with respect to his needs for charter transportation services. His organization was composed of 43 separate sub-groups. Many of these groups would use the proposed charter service to travel between points within the Metropolitan District.

The transportation services wholesaler testified that he represents travel agencies in preparing tour programs consisting of points and places within the Metropolitan District. The tour programs are sold to groups of conventioners, schoolchildren, or church members. He is involved in arranging for charter sightseeing by these several groups.

The wholesaler testified that there was no presently available service comparable to that being proposed by Executive within the Metropolitan District. The wholesaler testified that he previously has used limousine service but that the small vehicle service was not comparable because of the difference in seating capacity and price. The wholesaler estimated that he would use Executive's proposed charter service approximately three times per month.

GREYHOUND AIRPORT SERVICE, INC.

By Application No. 950, filed July 6, 1976, Greyhound seeks approval of Supplement No. 1 to its current WMATC Tariff No. 15. Greyhound's current tariff was issued June 24, 1976, and became effective June 29, 1976,

pursuant to Commission Order No. 1573, served June 23, 1976. Supplement No. 1 seeks to establish fares for service between Dulles, on the one hand, and on the other, four specified hotels in the District of Columbia. These hotels are the Burlington Hotel, the Hyatt Regency Washington, the L'Enfant Plaza Hotel, and the Quality Inn-Capitol Hill. The proposed per capita fare is \$4.25 for a one-way trip.

A public hearing was held on August 27, 1976, with respect to Greyhound's proposed tariff supplement. Executive filed a formal protest to Greyhound's application and actively participated in the hearing.

Greyhound sponsored the testimony of its chief accountant in support of its application. This witness stated that two round-trips per day would be provided. These trips would originate at the Hyatt Regency in the District of Columbia at 7 a.m. and 3 p.m. and at Dulles at 8:15 a.m. and 5:15 p.m. The proposed service would stop at each of the hotels outbound from the District of Columbia, but inbound from Dulles only at those with disembarking passengers. On days when any of the subject hotels anticipated large check-outs of guests, Greyhound indicated that it would provide additional service. Such service would be scheduled from the hotel or hotels to Dulles to convenience the guests. This Greyhound witness also indicated that the new service would be provided in motor coaches.

The witness set forth a breakdown of the direct costs involved in providing the proposed service. These costs were based on an estimated 130 revenue miles per day. That mileage did not include any deadhead mileage and was not adjusted for the mileage resulting from having to stop at each hotel on some inbound trips from Dulles and not having to stop at each hotel on other inbound trips from Dulles. The witness for Greyhound only projected costs related to certain expenses. The justification offered for not including all the expenses incurred by Greyhound in its airport operations was that those fixed expenses would be incurred no matter what service was being rendered. As a result, the direct cost breakdown actually reflected the incremental costs to be incurred from providing the proposed service. These daily incremental costs were drivers wages of \$42.72 (four hours per driver times two round trips times \$5.34 per hour), fuel of \$11.18 (8.6 cents per mile), tires of \$1.95 (1.5 cents per mile), maintenance of \$10.79 (8.3 cents per mile), and insurance \$3.77 (2.9 cents per mile). The total direct incremental cost was projected to be \$70.41 per day.

Based upon the cost to be incurred, the witness then estimated the number of passengers per day required to generate sufficient revenue to cover the costs. At a per capita fare of \$4.25, the number of daily passengers would be 16.6 or 4.2 passengers per trip. No estimate or analysis was developed to project the actual daily number of passengers to be transported. As a result, no total revenue amount was projected and no operating ratio was developed. Naturally, to the extent Greyhound transported 17 or more passengers per day, it would be generating revenues in excess of the estimated direct incremental cost incurred in rendering the proposed service.

However, the witness for Greyhound stated that the proposed service would be operated until the Commission determined that it should be discontinued.

The witness stated that Greyhound currently has 17 motor coaches available for use in its operations. Apparently, 12 motor coaches are involved in scheduled operations during the peak period of service. Greyhound thus has available sufficient extra equipment to be used in the proposed service. Furthermore, the witness stated that additional equipment was readily available on a lease basis, both daily and monthly, from a sister corporation to Greyhound. However, the witness believed the current fleet of motor coaches would be sufficient and projected no increase in leasing expenses.

The witness stated that some of the passengers who would use the proposed service probably are presently using Greyhound's service. These passengers would be those using Greyhound's scheduled motor coach service between Dulles and either the Washington Hilton or the Statler Hilton in the morning service. Some of these passengers may find direct service (no change of vehicle) more convenient between Dulles and the Burlington Hotel, Hyatt Regency Washington, L'Enfant Plaza Hotel, or Quality Inn-Capitol Hill. As a result, they may change their travel patterns from the current service to the proposed service. Obviously, this would not result in any net gain in revenue to Greyhound. However, the witness opined that there would be 17 or more daily new passengers in the proposed service. The effect thus would be a net gain on the overall operation.

With respect to the proposed service in the afternoon and early evening, the witness stated that Greyhound was aware that there currently is a certificated carrier (Executive) providing a similar service in limousines. The impact of the proposed service upon the existing carrier was not determined and an analysis of the potential passengers to be transported by both carriers was not made. The Greyhound witness stated that there would be sufficient passengers to provide revenues required to meet the cost of rendering the service.

PROTESTANT GREYHOUND

Greyhound filed a protest to Executive's Application No. 871. With respect to its interest, Greyhound stated that it currently holds Certificate of Public Convenience and Necessity No. 7 authorizing special operations between Dulles and points within the District of Columbia. Pursuant to that authority, Greyhound is providing motor coach service to specified points within the District of Columbia. In addition, Greyhound submits that the special operations service is being provided pursuant to a contract between the FAA and Greyhound, which contains certain exclusive and non-exclusive provisions concerning scheduled motor coach service and van service for passengers originating at both Dulles and National. According to Greyhound, the special operations service is designed and operated so as to provide the most economical and convenient transportation service possible for

travellers using Dulles as an entry or exit point to the Metropolitan District. The schedule and frequency of this service has been instituted at the specific request and demand of the FAA and has been approved by this Commission.

With respect to the basis for its opposition, Greyhound submits that an average of only 8 passengers per trip now utilize the scheduled motor coach service between Dulles and specified points within the Metropolitan District. According to Greyhound, any diversion of this existing passenger traffic is certain to have a materially adverse affect upon the existing service and its capability to maintain such service. In addition, Greyhound states that Executive would be competing for the same traffic and that the result would be non-profitable operations by both carriers. After filing its protest in Application No. 871, Greyhound has instituted scheduled service between Dulles and the three hotels within the District of Columbia proposed to be served by Executive.

Greyhound submits that there is no real or substantial public need or demand for the proposed service. Greyhound also submits that any additional service by Executive would have a significant adverse impact upon Greyhound's operations. However, Greyhound states that it is ready, willing and able to provide any additional service that the Commission deems to be required by the travelling public.

With respect to Executive's Application No. 872, Greyhound also filed a protest. Greyhound's opposition is based upon its current Certificate of Public Convenience and Necessity No. 7. That Certificate authorizes the performance of charter operations between Dulles and points within the District of Columbia. According to Greyhound, it currently is providing charter service by either motor coach or van from and to Dulles. Greyhound submits that there is no bona fide or substantial public need and demand for Executive's proposed charter service. To the extent that the Commission determines there is a need for such additional charter service, Greyhound states that it is ready, willing and able to provide it.

Greyhound sponsored the testimony of its vice-president and general manager. This witness set forth the nature of the operations being conducted by Greyhound and described the results of a destination study performed by Greyhound.

The scheduled motor coach service by Greyhound consists of 34 trips per day, Monday through Friday, from Dulles to the Statler Hilton and Washington Hilton and 29 trips per day, Monday through Friday, from these hotels to Dulles. On Saturdays, Sundays, and holidays, this scheduled service is reduced to 28 trips and 22 trips, respectively. The scheduled service originates at Dulles hourly from 6 a.m. to 10 a.m., and half-hourly from 10 a.m. to midnight. The scheduled service from the Statler Hilton and Washington Hilton originates hourly from 6 a.m. to 11 a.m., and half-hourly

from 11 a.m. to 9:30 p.m. In addition, Greyhound operates one schedule from the Sheraton Park Hotel and Mayflower Hotel to Dulles each day, Monday through Friday, at 3 p.m., and one schedule from Dulles at 5:15 p.m. each day, Monday through Friday, to various hotels within the District of Columbia. Whenever there is a large check-out scheduled at the Sheraton Park Hotel, Greyhound provides additional motor coach service to Dulles. This service is provided in response to the request of personnel who operate the transportation desk at the Sheraton Park Hotel.

The Greyhound witness testified about a passenger survey for trips rendered during the months of January and February 1975. With respect to the scheduled service, Greyhound operated 3,649 trips and transported 24,301 passengers. The average number of passengers per trip was 6.7. According to Greyhound, 6.3 passengers per trip are required to generate sufficient revenues to cover the cost of operating the motor coach. Furthermore, the Greyhound witness testified that Greyhound transported fewer than the average of 6.3 passengers on 60 percent of the scheduled trips.

Greyhound submits that a grant of Executive's Application No. 871 would result in direct competition between Greyhound and Executive for peak period passenger traffic. A decline in this traffic would adversely affect Greyhound's average number of passengers per trip. As a result, Greyhound states that it would be forced to curtail its service during non-peak periods in order to maintain a viable transportation system. Furthermore, Greyhound states that no other carrier is accessible to passengers travelling between Dulles and the District of Columbia outside the peak periods. Greyhound asserts that its peak period service generates the additional revenue necessary for the provision of non-peak period service. Greyhound contends that the presence of Executive as a competitor during peak periods would significantly reduce its ability to provide the same level of service currently offered to members of the travelling public.

Greyhound stated at the public hearing that it would institute scheduled service between Dulles and the Sheraton Park Hotel, Shoreham Americana Hotel, and Mayflower Hotel. This service has been provided by Greyhound since January 1976. The scheduled service is rendered daily, Monday through Friday, in a van at 7 a.m., 9:30 a.m., 3 p.m., and 4 p.m. from the hotels to Dulles, and at 8:15 a.m. and 4:15 p.m. from Dulles to the hotels. At 5:15 p.m. each day, Monday through Friday, Greyhound operates a motor coach from Dulles to these hotels. The utilization of a van to provide this scheduled service was justified by the Greyhound witness on two bases. First, the van was believed to have sufficient seating capacity to serve adequately the number of persons travelling between Dulles and these specified hotels, except during the 5 p.m. to 7 p.m. peak period. Second, the driveway entrance to the Shoreham Americana is constructed in such a manner as to obstruct a motor coach. As a result, motor coach service at that hotel requires that passengers disembark at curbside. Greyhound indicated that the service would not be voluntarily terminated and would be performed until the Commission directed that it be ceased.

Greyhound's witness also testified that 25 percent of the passengers being transported in its scheduled motor coach service were destined to points other than the terminal hotels. According to Greyhound, these people originated their trips to Dulles from the terminal hotels because they desired express service. In addition, Greyhound's witnesses opined that the presence of Executive or any other carrier in the K Street and Connecticut Avenue business corridor in the Northwest sector of the District of Columbia would result in a decline in Greyhound patronage. Such a loss would be incurred because the potential passengers not guests at the terminal hotel could choose between the available services by merely boarding or disembarking at the most convenient terminal hotel.

Greyhound filed separate protests to Executive's Application No. 877 and Beltway's Application No. 889 for charter authority. Greyhound submits that it currently holds charter authority to service the Metropolitan District from or to both Dulles and National. The positions adopted by Greyhound in its protests are that there is no public need or demand for the proposed service either to or from the airports and that the charter operations by Greyhound are vitally important because they result in the utilization of certain vehicles which otherwise would be idle and also provide revenues necessary to maintain its various services. Greyhound sponsored the testimony of its vice-president and general manager.

The Greyhound witness stated that its only concern involved charter operations to or from either airport. The proposed services would be competitive with the Greyhound charter operations service to the extent they involved movements to or from Dulles and National. According to the Greyhound witness, charter service is an excellent source of revenue which is necessary to supplement the marginal special operations. Any loss in charter revenue would adversely affect the ability of Greyhound to continue to provide the current level of special operations service.

The Greyhound witness testified that charter service in both motor coaches and vans would be adversely affected by the presence of two new competitors. The witness testified that 86 charter movements were rendered during calendar year 1975 by Greyhound. These movements consisted of 40 transfers involving Dulles and 46 transfers involving National. The Greyhound witness also stated that its rates would result in lower charges for comparable charter services.

PROTESTANT EXECUTIVE

Executive filed a protest to Greyhound's Application No. 950 for approval of Supplement No. 1 to its current WMATC Tariff No. 15. Executive submits that it currently is certificated to render service between Dulles and the hotels specified in Greyhound's supplement and that the proposed Greyhound service merely is duplicative of Executive's special operations. Executive argues that Greyhound has abandoned its certificated authority to serve these hotels by previously failing to specify a fare applicable to the

proposed service. Executive also argues that Greyhound merely is specifying a fare applicable to this service for the purpose of destroying Executive and that after such destruction Greyhound will terminate any service to the three specified hotels. Executive submits that the proposed rates are not just and reasonable, are inconsistent with Greyhound's financial condition and will not be compensatory. Executive also submits that Greyhound will not be able to render the proposed service in an economic and efficient manner. Finally, Executive ultimately states that there exists no inherent advantage to the proposal which, on the contrary, would result only in the economic destruction of Executive and Greyhound's abandonment of any service proposed to be rendered.

Executive sponsored the testimony of its president in opposition to Greyhound's Application No. 950. The main thrust of the testimony was that the Greyhound dispatcher at Dulles would openly and notoriously discriminate in the dissemination of information pertaining to transportation services to these hotels from Dulles should the tariff supplement be approved. According to the Executive witness, the FAA has delegated to Greyhound the dispatching duties at Dulles. As a result, the individual assigned to the dispatcher station at Dulles by the FAA is a Greyhound employee. According to the witness, the Greyhound employee would actively and affirmatively discriminate against Executive. Such discrimination would result from the FAA dispatcher advising and informing passengers that Greyhound provided the only service to the Burlington Hotel, Hyatt Regency Washington, L'Enfant Plaza Hotel, and Quality Inn-Capitol Hill.

FEDERAL AVIATION ADMINISTRATION

A FAA representative appeared at the public hearing on Executive's Application Nos. 871 and 872 and testified in opposition to Application No. 871. The bases of the opposition were twofold. First, the FAA has a concessionaire's contract with Greyhound to operate exclusive motor coach service from Dulles to points in the District of Columbia and between Dulles and National and to operate exclusive van service from both airports to the District of Columbia, except to the extent this Commission previously had certificated Executive to render limousine service. Second, the FAA representative expressed concern about the proliferation or possible proliferation of ground transportation services at Dulles. This concern results from the curbside congestion and dispatching difficulties encountered by the FAA at Dulles. The representative stated that the FAA has a responsibility to insure that the traveler is safely and properly removed from the passenger loading ramps. In order to fulfill this responsibility, the FAA opposes the certification of any additional carriers to provide special operations service from Dulles to the District of Columbia.

The FAA representative testified that there are three modes of public transportation service accessible to the traveler using Dulles as an entry point to the Metropolitan District. These would be Greyhound's motor coach service, Executive's limousine service, and taxicab service. The FAA

representative testified that 2.5 million persons use Dulles each year and that only 25 percent travel to the central business district in the District of Columbia. Apparently, 80 percent of the travelers using Dulles arrive and depart that airport by private conveyance. As a result, the FAA representative opined that there currently is sufficient ground transportation service available to travelers using Dulles. In addition, the FAA representative testified that 40 percent of the daily travelers use Dulles between 4 p.m. and 6:45 p.m.

DISCUSSION AND CONCLUSIONS

We believe that the foregoing review of the applications, protests, and evidence of record clearly reflects two general areas for our consideration. First, the general question of special operations service between Dulles and the District of Columbia is presented by Executive's Application Nos. 871 and 945 and Greyhound's Application No. 950. Second, the general question of charter operations service between Dulles or National and the District of Columbia and between other points within the Metropolitan District is presented by Executive's Application Nos. 872 and 877 and Beltway's Application No. 889. The following discussions thus will be separated into these general areas.

SPECIAL OPERATIONS

The Compact, Title II, Article XII, Section 4(b) requires us to make a determination whether the proposed transportation "must be or will be required" by the public convenience and necessity. Such a determination requires an understanding of the current service available to the travelling public and an analysis and evaluation of the testimony of the witnesses supporting and opposing the applications. Executive's applications are the only applications which present to us an issue whether proposed special operations will be required by the public convenience and necessity. These applications can be readily divided between (a) service involving the Sheraton Park Hotel, Shoreham Americana Hotel, and Mayflower Hotel and (b) service involving the Hyatt Regency Washington, L'Enfant Plaza Hotel, and Quality Inn-Capitol Hill.

With respect to service between Dulles and the Sheraton Park Hotel, Shoreham Americana Hotel and the Mayflower Hotel, Greyhound now holds certificate authority to render special operations and has instituted service comparable to that being proposed by Executive. The question thus is whether the service proposed by Executive should be provided in addition to that currently rendered by Greyhound. In this regard, the testimony of the public witnesses supporting Executive's applications strongly indicates that there exists a need for service by any carrier and not a need for service as proposed by Executive. In other words, these witnesses desired service between their hotels and Dulles. That service had to be scheduled and supplied throughout the day. However, they never expressed any preference for the service by limousine proposed by Executive over the service by van

or motor coach now operated by Greyhound. Furthermore, the potential passenger ridership would not be sufficient to justify the operation of services by both Executive and Greyhound. The record does not support a grant of a certificate to Executive to render this proposed service.

We find that the record presents no satisfactory basis for granting Executive a certificate of public convenience and necessity to render special operations between Dulles and the Sheraton Park Hotel, Shoreham Americana Hotel and Mayflower Hotel. Accordingly, we shall deny Executive's Application No. 871. However, we do note and are fully aware that Greyhound was not providing the service at the time that Executive proposed this service. We would not deny Executive's Application No. 871 merely because Greyhound proposed to provide a comparable service. But in this instance, Greyhound filed an appropriate tariff application specifying fares applicable to this service and Executive was served with notice of the application. Executive neither filed a protest to the proposed fares nor appeared at the public hearing in opposition. We then approved the fares for the service and served Executive with the order. Executive never sought reconsideration as a person adversely affected by the tariff approval of fares applicable to service being proposed by Executive.

With respect to service between Dulles and the Hyatt Regency Washington, L'Enfant Plaza Hotel, and Quality Inn-Capitol Hill, Executive is seeking to amend its current certificate by deleting the above-described vehicle restriction. This proposal constitutes a significant modification in the type of service being offered the travelling public. As a result, we believe that any determination should be based upon consideration of whether the proposed service will be required by the public convenience and necessity.

The record developed by Executive with respect to Application No. 945 consists entirely of evidence pertaining to its vehicle capacity. No evidence was offered to establish that the travelling public needed motor coach service or that such service would be more convenient. Apparently, Executive has sought to amend its certificate because the suppliers of the limousine vehicles have been late in making deliveries. However, the president of Executive has repeatedly stated that additional limousine vehicles have been ordered and promised. In the absence of other support, we believe that the request for permanent removal of the vehicle restriction should be denied. The utilization of a motor coach in place of the deluxe limousine currently used by Executive would be a radical change in the service. Such a modification is not justified by the record presently before us.

We find that the record presents no satisfactory basis for amending Executive's certificate of public convenience and necessity to permit the rendering of special operations between Dulles and the Hyatt Regency Washington, L'Enfant Plaza Hotel and Quality Inn-Capitol Hill in motor coach vehicles. Accordingly, we shall deny Executive's Application No. 945.

With respect to Greyhound's Application No. 950 for approval of a supplement to its WMATC Tariff No. 15, we need not consider whether the public convenience and necessity requires special operations service between Dulles and the Burlington Hotel, Hyatt Regency Washington, L'Enfant Plaza Hotel, and Quality Inn-Capitol Hill. Rather, the sole criteria set forth in the Compact, Title II, Article XII, Section 6(a)(2) is whether the proposed per capita fares are just, reasonable, and not unduly preferential or unduly discriminatory either between riders or sections of the Metropolitan District.

The question of the impact upon Executive's current service to these points is not involved in our determination. Greyhound held certificate authority to serve these points at the time Executive was granted its certificate. We could have directed Greyhound to provide the service upon a finding that Greyhound had failed to provide reasonable, continuous and adequate service pursuant to its certificate and, if Greyhound failed to do as directed, we could have revoked that portion of its certificate. This revocation proceeding was commenced but has never been perfected. Moreover, Executive's argument that Greyhound has "abandoned its rights" by not providing service is not material to a tariff proceeding.

The record reflects justification and support for the proposed \$4.25 per capita fares. The cost analysis submitted by Greyhound would justify that fare level. The anticipated passenger ridership would be sufficient to provide adequate revenues to support the proposed service based upon that fare level. Moreover, the per capita fare is not unduly preferential or unduly discriminatory either between riders or sections of the Metropolitan District.

We find that the record presents a satisfactory basis for granting Greyhound's Application No. 950. We are not unmindful that such a grant will result in competing services at each of the four hotels. However, the competition will not be direct because the services are readily differentiated on the basis of fare and type of vehicle. Finally, with respect to the FAA's dispatcher at Dulles, we have no jurisdiction to determine whether that federal agency is knowingly involved in discriminatory practices designed to destroy Executive's operations from Dulles.

CHARTER OPERATIONS

Two separate forms of charter operations are proposed in the several applications pending before us. One form would be charter movements from or to either airport. These movements generally are referred to as "transfers" and are usually only one-way trips. The other form of charter movements would be trips throughout the Metropolitan District and would include by definition charter operations pursuant to contract. The following discussion will separate these two forms for purpose of decision on each application.

With respect to airport transfers, Executive seeks this authority directly in its Application No. 872. Executive did not support that application with testimony of public witnesses. Rather, the record reflects that Executive's testimony in the combined public hearing on Application Nos. 871 and 872 was restricted to the proposed special operations. No witness appeared on behalf of the Burlington Hotel, Hyatt Regency Washington, L'Enfant Plaza Hotel, or Quality Inn-Capitol Hill. Moreover, no public witness expressed any opinion with respect to charter operations.

We find that the record presents no basis for granting Executive's Application No. 872. Accordingly, we shall deny that application. However, such denial will not be considered as part of our determination of Executive's Application No. 877 to the extent that application seeks the same authority.

With respect to airport transfers, Executive also seeks this authority by Application No. 877 as does Beltway by Application No. 889. The opposition interposed by Greyhound to these applications related only to airport transfers.

We must determine whether the public convenience and necessity requires the proposed charter service. The public witnesses sponsored by Executive and Beltway testified that the small group charter service is needed throughout the Metropolitan District. Significantly, none of the witnesses indicated any difficulty in arranging for small group airport transfers. Rather, their problems related primarily to small group movements and only incidentally to movements to or from airports as part of a total charter service. In addition, neither Executive nor Beltway presented testimony indicating an intent to operate "airport transfers" as a separate line of charter service. Their testimony sought to service the airports as a part of a total charter service. Greyhound did offer probative evidence of an active charter service from and to both airports.

With respect to charter service throughout the Metropolitan District, the applications of Executive and Beltway were unopposed, and the record is replete with testimony pertaining to the problems and difficulties encountered in obtaining reliable and comfortable small group charter service. Accordingly, we find that the record adequately supports and justifies a grant of Executive's Application No. 877 and Beltway's Application No. 889, subject to a limitation on airport transfer service as hereinafter set forth. We are fully aware that we have determined to issue two certificates to render comparable charter service. The Compact does not prohibit such action and certainly with respect to irregular route service does not mandate that one carrier be given the opportunity to fail before the other carrier can be certificated.

The Compact, Title II, Article XII, Section 4(b) permits the imposition of restrictions on certificates to the extent required by the public convenience and necessity. The record before us does not support a finding that airport transfer service is needed or required by the public convenience

and necessity. However, the record also does not support a finding that Greyhound should be protected against the charter service to be rendered by Executive and Beltway throughout the Metropolitan District. Accordingly, we find that Executive and Beltway should be permitted to render charter service to and from either airport when such service is incidental to a prior or subsequent charter movement between other points or places within the Metropolitan District. Such charter service must be rendered for the same group pursuant to a single charter arrangement and include both airport transfers and other charter services as part of the original charter agreement. We shall require Executive and Beltway to maintain a record of any charter service involving either Dulles or National. The record should clearly reflect the name, address, and telephone number of the chartering party, the date or dates of service, the origins and destinations of any movements, and the total amount received as revenue for the provision of the charter service.

We have pending before us two separate applications by Executive and Beltway for temporary authority to render the charter operations set forth in Application Nos. 877 and 889. These temporary authority applications now are moot. Accordingly, we shall dismiss without prejudice Executive's Application No. 886 and Beltway's Application No. 909.

We have considered the entire record as presented by the parties. We also have considered the statement by the FAA representative. We do not believe that these warrant any further discussion and we thus shall enter the following orders.

THEREFORE, IT IS ORDERED:

1. That Application No. 871 of Executive Limousine Service, Inc., be, and it is hereby, denied.
2. That Application No. 872 of Executive Limousine Service, Inc., be, and it is hereby, denied.
3. That Application No. 877 of Executive Limousine Service, Inc., be, and it is hereby, granted to the extent it seeks authority to render charter operations, over irregular routes, between points within the Metropolitan District, subject to the restriction that any charter operations to or from Dulles International Airport or Washington National Airport must be related to a pre-arranged charter movement by the same party between at least two other points or places within the Metropolitan District, and further subject to the restriction that charter operations be rendered in vehicles having a manufacturer's designed seating capacity of 15 passengers or less (including the driver).
4. That Executive Limousine Service, Inc., be, and it hereby is, directed to file two copies of a supplement to its current WMATC tariff setting forth fares and charges applicable to the charter operations authority

granted hereinbefore, said supplement to be effective upon approval of the Executive Director.

5. That Application No. 886 of Executive Limousine Service, Inc., be, and it hereby is, dismissed without prejudice as moot.

6. That Application No. 889 of Beltway Limousine Service, Inc., be, and it is hereby, granted to the extent it seeks authority to render charter operations, over irregular routes, between points within the Metropolitan District, subject to the restriction that any charter operations to or from Dulles International Airport or Washington National Airport must be related to pre-arranged charter movement by the same party between at least two other points or places within the Metropolitan District, and further subject to the restriction that charter operations be rendered in vehicles having a manufacturer's designed seating capacity for 15 passengers or less (including the driver).

7. That Beltway Limousine Service, Inc., be, and it hereby is, directed to file two copies of a supplement to its current WMATC tariff setting forth fares and charges applicable to the charter operations authority granted hereinbefore, said supplement to be effective upon approval of the Executive Director.

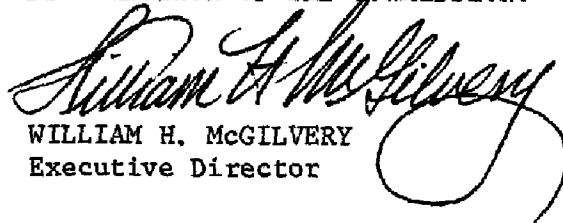
8. That Application No. 909 of Beltway Limousine Service, Inc., be, and it is hereby, dismissed without prejudice as moot.

9. That Executive Limousine Service, Inc., and Beltway Limousine Service, Inc., be, and they hereby are, directed to maintain for a period of three years a record of any charter service involving either Dulles International Airport or Washington National Airport, and said record shall set forth the name, address, and telephone number of the chartering party, the date or dates of service, the origins and destinations of any movements, and the total amount received as revenue.

10. That Application No. 945 of Executive Limousine Service, Inc., be, and it is hereby, denied.

11. That Application No. 950 of Greyhound Airport Service, Inc., be, and it is hereby, granted.

BY DIRECTION OF THE COMMISSION:


WILLIAM H. MCGILVERY
Executive Director

STRATTON, Chairman, dissents, as to the result reached on Application No. 871:

I generally concur in this decision which is clearly correct on the law, and which reaches an overall result that is fair and in the public interest.

On the other hand, one cannot but marvel at a process which requires 17 months of elapsed time, 10 days of public hearings, thousands of pages of pleadings, testimony and exhibits, and who knows how much expense on the part of the government and the other parties involved in order to decide whether the public shall have some variety in its transportation options between a few Washington hotels and Dulles Airport. This decision being prolix anyhow, perhaps it will not be amiss if a few additional pages are added to explain my view of these cases, and to set out the reasons why I would have reached a different result on Application No. 871.

I.

There are three threads woven through this tapestry of cases.

They are, first, the changes wrought by the introduction of 10-to 15-passenger vans and "stretched sedans" into the ground transportation business; second, the preferences created and the disabilities wrought by the regulatory scheme itself upon those who are in this business or would like to be; and, third, the jurisdictional no-man's-land at Dulles Airport where the authority of this Commission collides with that of the Federal Aviation Administration.

II. A.

Everyone acquainted with the American automotive scene is aware of the phenomenal success of the van. Vans are everywhere, and their variations are infinite. Relevant here is the passenger carrying mutant in which a van is fitted out with bench seats for passengers. Depending on its length and seating arrangement a van can carry from 10 to 17 passengers and their luggage. Vans are built on a light truck chassis so the ride is usually a little stiff. However, they can range in comfort between spartan and Lucullan depending on the optional features installed.

Also on the scene, although much less ubiquitous, are stretched sedans. Washingtonians are familiar with the 6- and 8-door Checker cars that are in favor with the military and are often seen on our streets. These stretched sedans are made by other manufacturers than Checker, and include conventional sedans which are offered in a stretched version. Vans and stretched sedans are really very different vehicles. Whether one prefers to ride in one or the other depends on the relative ranking in his value structure of such things as headroom, ease of extrication from the vehicle, smoothness of ride, and other vehicular amenities too numerous to catalog.

What is important about both these vehicles is that they fill a gap between the ordinary sedan or 4-door limousine, which can carry no more than 5 to 8 passengers plus a driver, and buses, which are ordinarily built to carry at least 40 passengers. For some reason, regulatory terminology hasn't kept pace with the expansion of the vehicle inventory. Throughout this record there are references to "limousine service" or "limousine-type service" when in fact what is being discussed is something different, at least different to my mind. I think the language is versatile enough that we can reserve the word "limousine" for the long, 4-door sedan of a "prestige" marque like we all wanted to take our girl to the senior prom in. We ought to call vans, vans, mentioning, if necessary, their passenger capacity. And we ought to call stretched sedans just that. Even the best of them isn't up to a real limousine -- in aura if nothing else. What head of state or captain of industry would ride in an 8-door Cadillac, after all?

Executive Limousine Service, Inc., one of the parties in these cases, operates stretched sedans. Beltway Limousine Service, Inc., operates vans, very well-appointed ones let me hasten to say, but vans. Greyhound Airport Service, Inc., the other participant, generally operates buses ("motor coaches" in regulatory parlance) in its scheduled Dulles Airport service, but vans (rather austere ones) are also used.

II. B.

The next element of this case that bears discussion is the parties' differing status before this agency.

A very important element of the struggle in these cases is Greyhound's effort to defend its "turf" against the encroachment of Executive and Beltway. Greyhound, as will become apparent, is well positioned to wage this contest.

Greyhound Airport Service is an element of the large bus company known to most Americans. In 1969 it purchased the operating rights of the company then operating the airport service. This purchase included a so-called "grandfather" certificate authorizing its holder to perform all manner of charter service and "special operations" ^{1/} in the region where the WMATC regulates transportation. What this means is that Greyhound is entitled to offer almost any transportation service -- anything but regular-route, mass-transit bus service, that is.

Also, by virtue of its certificate, Greyhound enjoys standing to object to anyone else's performing service that Greyhound has the right to perform -- regardless of whether Greyhound is actually performing the service.

^{1/} "Special Operations" means point-to-point service over an irregular route at individual fares. This might be contrasted with regular-route operations where the bus stops at places along a fixed route and people board and alight as they will -- like a Metrobus run -- or point-to-point service for groups.

Not only may Greyhound object to any other carrier's performing service that it is entitled to perform, Greyhound is in a legally favorable position to preempt a new service offering by a competitor simply by offering to perform the service itself. By virtue of its certificate, when Greyhound wants to carry out a particular kind of authorized transportation, it need only file a tariff schedule of rates. Our inquiry is limited to whether the fares proposed are reasonable and compensatory. Greyhound's "fitness" to conduct every manner of service comprehended by its certificate, and the "public convenience and necessity" of any such service, are presumptively established by the certificate, and Greyhound need not again demonstrate either fact.

Things are different for latecomers like Executive and Beltway, who enter these lists armed with no presumption either of their fitness and ability to conduct the service they propose nor of the public need for that service. New applicants such as they must satisfy the Commission as to both these points. That two carriers each seeking to perform the same service have different requirements of proof must appear as an anomaly to anyone not steeped in the law and lore of transit regulation.

II. C.

The third ingredient in these cases is the unresolved issue of who controls ground transportation to and from the metropolitan area airports. On the one hand, this Commission has general regulatory authority over surface transportation in the geographic area centered in the city and including the airports. On the other, the FAA has the responsibility of managing the airports in a cost-effective way. Part and parcel of FAA's effort in this regard is to glean revenues from commercial activities on airport property by granting concessionaire's contracts for a fee. This practice extends to the origination of ground transportation for airline passengers. As is pertinent to these cases, FAA has awarded Greyhound the exclusive right to originate such traffic at Dulles Airport. The possibility of conflict is readily apparent: This Commission in the exercise of its authority may grant operating rights for airport transportation that contradict FAA's view of the way the airport should be run, or that conflict with rights bottomed on a FAA concessionaire contract. In such a case, both the concessionaire and the FAA deny the authority of the Commission's writ. This jurisdictional conflict is as yet unreconciled, although litigation that could determine it is now in progress. Since that lawsuit is pending, it would contribute nothing to the WMATC/FAA relationship for us to enter an order in this case that challenges FAA prerogatives. One test case is enough.

III.

Now for some history. This case didn't arise in a vacuum.

Greyhound runs a bus service between Dulles Airport and downtown Washington and has for some time. This service is offered under the authority of our certificate and with the concurrence of the Federal Aviation Administration, which has given an exclusive contract to Greyhound to originate

trips at Dulles with the downtown Washington area as a destination. 2/ About 30 trips a day in each direction are scheduled and operated in this service. When these applications were filed in 1975, Greyhound's service -- with two exceptions -- was operated from only two terminals in Washington, the Washington Hilton Hotel, at Connecticut Avenue and T Street, and the Statler Hilton Hotel, at 16th and K Streets. 3/ Having only two terminals in the city is a nuisance for a lot of travelers, many of whom must take a taxicab between their hotel or place of business and the bus terminal if they arrive or depart on the Dulles bus. A good many people do want to ride this bus because the only present alternative, a taxicab, costs five or six times as much. Other major hotels in Washington which, like the Hiltons, attract large numbers of business and convention travelers, get very limited direct service, if any at all, to and from Dulles for their guests (see footnote 3.)

It wasn't always that way. A few years ago Greyhound enlarged the downtown service loop and dropped off and picked up passengers at several hotels, including the Mayflower, Shoreham and Sheraton Park, as well as the Hiltons. That didn't work out too well. Passengers had to endure a long and circuitous trip through the city with stops at several hotels before they got to their destination, and very often when they got there they had to carry their own bags in from the curb. This service apparently was financially debilitating to Greyhound as well, because it was discontinued.

About three years ago Executive Limousine Service which was carrying Flight crews back and forth between Dulles and a downtown hotel 4/ under contract with the airlines, decided to fill a part of this service vacuum. There were some new hotels in Washington, the L'Enfant Plaza Hotel in the new Southwest, and the Quality Inn and Hyatt Regency at the foot of Capitol Hill. Capitol Hill and the new Southwest are both busy places, but they lie outside the central business core of the city and are anything but convenient to Greyhound's airport bus terminals. Executive wanted to offer direct transportation between these new hotels and Dulles Airport, using stretched sedans for the purpose. It asked this Commission for authority to do so. Greyhound, as was its right, opposed this application, but not vigorously, and Executive's application was granted in mid-1974. Presumably Executive is doing well at this business because two of these cases involve requests by Executive to expand the scope of its service. In one case it asks to run

2/ FAA permits any carrier to take people to Dulles.

3/ The exceptions, which are of long standing, are a 5:15 p.m. bus from Dulles that runs a loop service to most of the downtown hotels and a 3 p.m. service that originates at the Sheraton Park Hotel and goes to Dulles via either the Mayflower or the Shoreham Hotel.

4/ The Burlington.

IV.

Under this decision Greyhound wins, hands down. Executive is denied the authority to run to the uptown hotels and to run a bus instead of a stretched sedan to serve its expanding market in Southwest and Capitol Hill. Greyhound is permitted to move into Executive's existing market. This decision which, in the final analysis, depends on the legal position of the parties at the starting gate, seems to be dictated by hornbook transportation law and our precedents.

What is worrisome to me is that even though this particular contest is now over we might witness a rematch before too long. If, with experience, Greyhound finds it uneconomical to serve the hotels added to its routes it may again abandon that service on economic grounds. Then, another applicant (or even the same one, again) may come forward to run the service. Greyhound will respond as in this case and the same battleground will be fought over once again.

V.

I, for one, would have reached a different result on Executive's application to serve the uptown hotels if it weren't for the FAA aspect of this case. First of all, I believe there is a qualitative difference between transportation in a bus, or in a van, or in a stretched sedan. Also, Executive proposed a much more generous schedule to the uptown hotels, 13 trips a day as opposed to Greyhound's seven. On those two bases I would have granted Executive's Application No. 871 to serve the Shoreham, Sheraton Park and Mayflower. But this would simply rekindle the flames of jurisdictional conflict with the FAA, who, if past history is any guide, would, at Greyhound's insistence, enforce Greyhound's exclusive contractual right to originate traffic at the airport and prevent Executive from doing so. The legal contest that would result would simply duplicate the one that's already in Court. This would be a waste of time and money for the parties, to say nothing of the Court, and for that reason I believe the Commission is correct to withhold the authority at this time. But rather than deny the application I think we should have kept it under advisement. If this Commission's authority is found to override that of the FAA in the test case now pending, then we could grant Executive's application. If not, it should be denied on the ground of futility.

On the other hand, there are two good reasons to deny Executive's application to run a bus in lieu of stretched sedans on its existing routes to Capitol Hill and Southwest. For one thing, Executive's stock-in-trade is the stretched sedan, a specialized conveyance. Executive's original application was based in good measure upon the introduction of this vehicle to the market. More important, though, is the fact that Greyhound's tariff for bus service to those hotels must be granted (as a matter of fact, it has gone into effect because of the passage of time since it was filed). This being so, it would actually subtract from the public's transportation options

13 scheduled trips a day in stretched sedans between Dulles and the Mayflower, Shoreham and Sheraton Park hotels. In the other it asks permission to operate a bus instead of a stretched sedan from time to time on its existing route to Capitol Hill and Southwest.

Meanwhile, Greyhound has responded competitively. Since Executive filed its application, Greyhound has expanded the schedule for its service to the Sheraton Park, Shoreham and Mayflower hotels -- the very hotels that Executive wants to serve. 5/ Greyhound uses vans (which it calls limousines) in this service and five trips a day are run. 6/ In addition, Greyhound has filed a tariff under which it would compete head-to-head with Executive at the Quality Inn, Hyatt Regency and L'Enfant Plaza hotels; Greyhound will use a bus in this service.

Also, Greyhound is opposing Executive's applications. In opposing the applications Greyhound says that since it has the right to operate such service it must be given the chance to do so before any new carrier is authorized. Greyhound points to the adverse financial effects that it allegedly will suffer if more convenient airport transportation is offered. The argument runs like this:

Greyhound's existing schedule of some 30 trips a day each way between Dulles and the downtown terminals must be viewed in its totality. Thus viewed it is a good service offering to the public. The schedule is operated over an 18-hour day at reasonable intervals. Buses operating at peak hours carry enough passengers to earn a profit; those operated at off-peak hours do not. Overall the service earns only about 3 percent profit which demonstrates that the fares are reasonable. If competitors are permitted to offer more convenient service, Greyhound will lose ridership. As gross revenues drop, service must be curtailed. The end result will be more carriers sharing a smaller, selective market. The public convenience served by the present schedule of 60 daily trips allegedly will be lost, and the quality of service viewed in its overall context will decline.

This is the classic anti-competitive argument classically put. It is also worthy of mention that Greyhound's response to competition has been classic. After virtually abandoning service to the uptown hotels, Greyhound expanded it under the stimulus of Executive's application. Greyhound also now claims the right to move into the Capitol Hill/Southwest market developed by Executive, running buses to the hotels in that area.

5/ Greyhound did not extend service to any other hotels.

6/ To commence this service required a tariff change, which Executive didn't oppose.

if Executive were permitted to substitute buses for stretched sedans in this service.

VI.

The other cases involve charter authority, which is offered to groups, not individuals, for transportation between points they pick. It's really no more than renting a conveyance with a driver.

We grant charter authority to Executive and the other player in this drama, Beltway Limousine Service, subject to limitations on their authority to originate trips at Dulles. This limitation favors Greyhound, and it must be admitted that the reason for it is to alleviate the upward pressure on fares in Greyhound's scheduled airport bus service. Greyhound earns about 14 percent on its charter operations which helps offset the low level of earnings on scheduled service. A drastic loss of charter revenues would inevitably lead to a request for fare hikes in the scheduled service, and we ought not to contribute to that result any more than is necessary.

On the other hand, there are price differentials and, more significantly, as far as I am concerned, important differences in the equipment operated by Beltway, Executive and Greyhound. Recognizing the latter, the Commission makes it possible for the charter market to select from the array of equipment available, and permits Executive and Beltway to include Dulles Airport in a charter package that involves other points as well. This strikes a reasonable balance in the public interest.

WASHINGTON METROPOLITAN AREA TRANSIT COMMISSION

CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY

NO. 18*

EXECUTIVE LIMOUSINE SERVICE, INC.

ARLINGTON, VIRGINIA

By Order Nos. 1336, 1343, 1433, 1524 and 1647 of the Washington Metropolitan Area Transit Commission issued June 21, 1974, July 25, 1974, May 25, 1975, March 26, 1976, and February 4, 1977;

AFTER DUE INVESTIGATION, it appearing that the above-named carrier is entitled to receive authority from this Commission to engage in the transportation of passengers within the Washington Metropolitan Area Transit District as a carrier, for the reasons and subject to the limitations set forth in Order Nos. 1336, 1343, 1433, 1524 and 1647;

THEREFORE, IT IS ORDERED that the said carrier be, and it is hereby, granted this certificate of public convenience and necessity as evidence of the authority of the holder thereof to engage in transportation as a carrier by motor vehicle; subject, however, to such terms, conditions and limitations as are now, or may hereafter, be attached to the exercise of the privilege granted to the said carrier.

IT IS FURTHER ORDERED that the transportation service to be performed by the said carrier shall be as specified below:

PART A

IRREGULAR ROUTES:

SPECIAL OPERATIONS, limited to limousine service:

Between Dulles International Airport, Chantilly, Virginia, on the one hand, and, on the other, Burlington Hotel, Vermont Avenue at Thomas Circle, N. W., Washington, D. C.; Quality Inn-Capitol Hill, 415 New Jersey Avenue, N. W., Washington, D. C.; L'Enfant Plaza Hotel, 480 L'Enfant Plaza East, S. W., Washington, D. C.; and Hyatt Regency Washington, 400 New Jersey Avenue, N. W., Washington, D. C.

RESTRICTED to the performance of such operations in vehicles with a seating capacity of fifteen persons or less (including the driver).

PART B

IRREGULAR ROUTES:

CHARTER OPERATIONS PURSUANT TO CONTRACT to transport Aeroflot-Soviet Airlines aircraft crews, together with their baggage, between Dulles International Airport, Chantilly, Virginia, and Washington National Airport, Gravelly Point, Virginia, on the one hand, and on the other, those points within the District of Columbia and Maryland which are located within the Metropolitan District.

CHARTER OPERATIONS PURSUANT TO CONTRACT to transport Air France aircraft crews, together with their baggage, between Dulles International Airport, Chantilly, Virginia, on the one hand, and on the other, those points within the District of Columbia and Maryland which are located within the Metropolitan District.

CHARTER OPERATIONS PURSUANT TO CONTRACT to transport British Airways and Royal Air Force aircraft crews, together with their baggage, between Dulles International Airport, Chantilly, Virginia and Washington National Airport, Gravelly Point, Virginia, on the one hand, and on the other, those points within the District of Columbia and Maryland which are located within the Metropolitan District.

CHARTER OPERATIONS PURSUANT TO CONTRACT to transport Delta Air Lines, Inc., aircraft crews, together with their baggage, between Dulles International Airport, Chantilly, Virginia, on the one hand, and on the other, those points within the District of Columbia and Maryland which are located within the Metropolitan District.

CHARTER OPERATIONS PURSUANT TO CONTRACT to transport Trans World Airlines aircraft crews, together with their baggage, between Dulles International Airport, Chantilly, Virginia, and Washington National Airport, Gravelly Point, Virginia, on the one hand, and on the other, those points within the District of Columbia and Maryland which are located within the Metropolitan District.

CHARTER OPERATIONS:

Between Dulles International Airport, Chantilly, Virginia, on the one hand, and on the other, those points within the District of Columbia and Maryland which are located within the Metropolitan District.

RESTRICTED to the transportation of aircraft crews of supplement airlines or non-tenant scheduled carriers transported pursuant to agreement with Ground Services, Inc.

PART C

IRREGULAR ROUTES:

CHARTER OPERATIONS:

Between points within the Metropolitan District.

RESTRICTED to the performance of such operations in vehicles having a manufacturer's designed seating capacity of fifteen passengers or less (including the driver).

CONDITION: Any charter operations from or to Dulles International Airport or Washington National Airport must be related to a pre-arranged charter movement by the same party between at least two other points within the Metropolitan District.

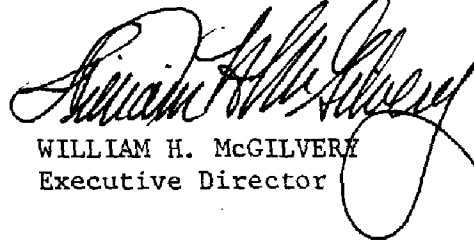
IT IS FURTHER ORDERED that to the extent the authority in Part C hereof duplicates the authority in Part B hereof, it shall not be construed as conferring more than a single operating right.

IT IS FURTHER ORDERED that the charter operations pursuant to contract authorized by Part B of this certificate of public convenience and necessity shall be limited to the performance of service pursuant to the agreement between Aeroflot-Soviet Airlines and Executive Limousine Service, Inc., the agreement between Air France and Executive Limousine Service, Inc., the agreement between British Airways and Executive Limousine Service, Inc., the agreement between Delta Air Lines, Inc., and Executive Limousine Service, Inc., and the agreement between Trans World Airlines, Inc., and Executive Limousine Service, Inc., provided, however that written notice must be filed by the carrier with the Commission within five days of any cancellation or termination of any of the aforementioned agreements, and further provided that any change in or amendment to any of the aforementioned agreements shall be filed with the Commission for approval at least fifteen days prior to the proposed effective date of such change or amendment, and further provided that any change or amendment to any of the aforementioned agreements which would involve new authority shall be subject to the provisions of the Washington Metropolitan Area Transit Regulation Compact and the Rules and Regulations of the Commission.

AND IT IS FURTHER ORDERED and made a condition of this certificate that the holder thereof shall render reasonable, continuous and adequate service to the public in pursuance of the authority granted herein, and that

failure so to do shall constitute sufficient grounds for suspension, change or revocation of the certificate.

BY DIRECTION OF THE COMMISSION:

A handwritten signature in dark ink, appearing to read "William H. McGilver", is written over the typed name and title.

WILLIAM H. MCGILVER
Executive Director

- * This certificate cancels and supercedes Certificate of Public Convenience and Necessity No. 18, issued May 27, 1975, subsequently modified by Order No. 1524, served March 26, 1976.

WASHINGTON METROPOLITAN AREA TRANSIT COMMISSION

CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY

NO. 25*

BELTWAY LIMOUSINE SERVICE, INC.

SILVER SPRING, MARYLAND

By Order Nos. 1425, 1446 and 1647 of the Washington Metropolitan Area Transit Commission issued May 12, 1975, July 28, 1975, and February 4, 1977;

AFTER DUE INVESTIGATION, it appearing that the above-named carrier is entitled to receive authority from this Commission to engage in the transportation of passengers within the Washington Metropolitan Area Transit District as a carrier, for the reasons and subject to the limitations set forth in Order Nos. 1425, 1446 and 1647;

THEREFORE, IT IS ORDERED that the said carrier be, and it is hereby, granted this certificate of public convenience and necessity as evidence of the authority of the holder thereof to engage in transportation as a carrier by motor vehicle; subject, however, to such terms, conditions and limitations as are now, or may hereafter, be attached to the exercise of the privilege granted to the said carrier.

IT IS FURTHER ORDERED that the transportation service to be performed by the said carrier shall be as specified below:

PART A

IRREGULAR ROUTES:

SPECIAL OPERATIONS, limited to transportation by appointment only:

Between the Dulles International Airport, Chantilly, Virginia, or Washington National Airport, Gravelly Point, Virginia, on the one hand, and on the other, Hampshire Motor Inn, 7411 New Hampshire Avenue, Langley Park, Maryland; Holiday Inn, Route 301 and Route 50, Bowie, Maryland; Holiday Inn, 9137 Baltimore Boulevard, College Park, Maryland; Holiday Inn, 10000 Baltimore Boulevard, College Park, Maryland; Holiday Inn, Gaithersburg,

Maryland, Howard Johnsons-Washington N. E., Baltimore-Washington Parkway, Cheverly, Maryland; In State Inn, Allentown Road, Camp Springs, Maryland; Interstate Inn, 8601 Baltimore Boulevard, College Park, Maryland; Quality Inn, 7200 Baltimore Boulevard, College Park, Maryland; Ramada Inn, Route 270, Gaithersburg, Maryland; Ramada Inn-Washington N. E., 5910 Princess Garden Parkway, Lanham, Maryland; Sheraton Inn-Washington N. E., 8500 Annapolis Road, New Carrollton, Maryland; and Washingtonian Motel, Shady Grove Road, Gaithersburg, Maryland.

RESTRICTED to the performance of such operations in vehicles with a seating capacity of twelve to fifteen persons.

PART B

IRREGULAR ROUTES:

CHARTER OPERATIONS PURSUANT TO CONTRACT to transport students of the General Electric Company between General Electric's National Training Facility, 401 North Washington Street, Rockville, Maryland, on the one hand, and on the other, Bethesda Inn, 5520 Wisconsin Avenue, Chevy Chase, Maryland; Holiday Inn, 8120 Wisconsin Avenue, Bethesda, Maryland; Holiday Inn, 8777 Georgia Avenue, Silver Spring, Maryland; Holiday Inn, 2 Montgomery Village Avenue, Gaithersburg, Maryland; United Inn of America, 1130 Wisconsin Avenue, Bethesda, Maryland; Colonial Manor Motel, 11410 Rockville Pike, Rockville, Maryland; The Georgian Inn, 7990 Georgia Avenue, Silver Spring, Maryland; Howard Johnsons, 5530 Wisconsin Avenue, Bethesda, Maryland; Howard Johnsons, University Boulevard and Viers Mill Road, Wheaton, Maryland; Quality Inn Silver, 8040 - 13th Street, Silver Spring, Maryland; Washingtonian Motel & Country Club, Shady Grove Road, Gaithersburg, Maryland; Rainbow Motor Lodge, 11520 Rockville Pike, Rockville, Maryland; Ramada Inn, 1251 Montgomery Avenue, Rockville, Maryland; Ramada Inn, 8400 Wisconsin Avenue, Bethesda, Maryland; Sheraton-Silver Spring Motor Hotel, 8727 Colesville Road, Silver Spring, Maryland; and Twin Towers Motel, 1110 Fidler Lane, Silver Spring, Maryland.

CONDITION: The authority granted herein is conditioned upon the performance of such transportation between General Electric's National Training Facility and restaurants or country clubs located within Montgomery County, Maryland, as stated in the contract between General Electric Company and Beltway Limousine Service, Inc.

PART C

IRREGULAR ROUTES:

CHARTER OPERATIONS:

Between points within the Metropolitan District.

RESTRICTED to the performance of such operations in vehicles having a manufacturer's designed seating capacity of fifteen persons or less (including the driver).

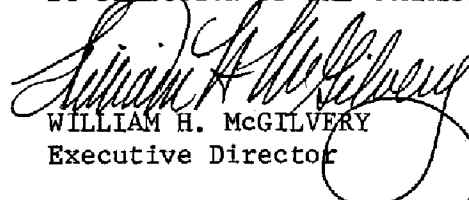
CONDITION: Any charter operations from or to Dulles International Airport or Washington National Airport must be related to a pre-arranged charter movement by the same party between at least two other points within the Metropolitan District.

IT IS FURTHER ORDERED that to the extent the authority in Part C hereof duplicates the authority in Part B hereof, it shall not be construed as conferring more than a single operating right.

IT IS FURTHER ORDERED that the transportation authorized by Part B of this certificate of public convenience and necessity shall be limited to the performance of service pursuant to agreement between Beltway Limousine Service, Inc., and General Electric Company provided, however, that written notice must be filed by the carrier with the Commission within five (5) days of any cancellation or termination of the aforementioned agreement, and further provided that any change in or amendment to the aforementioned agreement shall be filed with the Commission for approval at least fifteen (15) days prior to the proposed effective date of such change or amendment, and further provided that any change or amendment to the aforementioned agreement which would involve new authority shall be subject to the provisions of the Washington Metropolitan Area Transit Regulation Compact and the Rules and Regulations of the Commission.

AND IT IS FURTHER ORDERED and made a condition of this certificate that the holder thereof shall render reasonable, continuous and adequate service to the public in pursuance of the authority granted herein, and that failure so to do shall constitute sufficient grounds for suspension, change or revocation of the certificate.

BY DIRECTION OF THE COMMISSION:


WILLIAM H. MCGILVERY
Executive Director

*This certificate cancels and supercedes Certificate of Public Convenience and Necessity No. 25, issued July 28, 1975.